

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2008-0017**

APPROVING A STATE REVOLVING FUND (SRF) FINANCING AND ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS FOR THE SRF PROGRAM AND THE INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) PROGRAM FOR THE CITY OF SOLEDAD (CITY) WASTEWATER TREATMENT PLANT (WWTP) EXPANSION PROJECT (PROJECT); SRF PROJECT NO. C-06-4743-110 AND IRWM AGREEMENT NO. 07-506-550-0

WHEREAS:

1. The State Water Resources Control Board (State Water Board), on February 16, 1995, adopted the "Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities" (Policy) and amended it on July 17, 2007;
2. The State Water Board, in September 2007, adopted the State Fiscal Year 2007/2008 SRF Program Priority List which included the City's Project in Priority Class B;
3. The Division of Financial Assistance (Division) approved the Facility Plan for the City's Project on January 18, 2008. The City agreed to the FPA on January 28, 2008;
4. The City prepared a Final Program Environmental Impact Report (EIR) that includes the proposed Project. The EIR addresses the City of Soledad 2004 General Plan and the Wastewater Treatment and Disposal Master Plan Project (State Clearinghouse No. 2005032122). The City also developed a long-term Wastewater Management Plan consistent with the Master Plan;
5. The City Council certified the Final EIR and adopted a Statement of Overriding Considerations and a Mitigation Monitoring Program on September 21, 2005;
6. The City filed a Notice of Determination (NOD) for the Final EIR with the Governor's Office of Planning and Research (OPR) on September 26, 2005 and with the Monterey County Clerk on September 28, 2005. A separate NOD for the Management Plan was filed with the County Clerk on May 24, 2006 and with OPR on June 2, 2006;
7. The City adopted a Statement of Overriding Considerations to substantiate its decision to approve the General Plan and Master Plan, which includes the Project, despite significant unavoidable impacts related to public services (water supply), energy and the demand for electricity, cumulative traffic impacts on regional highways, cumulative air quality, biological resources, permanent loss of prime agricultural land, and visual resources resulting from the implementation of the General Plan and Master Plan;
8. The State Water Board staff has determined that the only significant unavoidable adverse impact resulting from the City's Project is the loss of approximately 1.6 acres of prime farmland at the site of the new scalping plant;

9. The State Water Board finds that the following specific economic, social, technological, and environmental benefits of the Project outweigh the unavoidable adverse environmental impacts from the loss of farmland:
  - a. The scalping plant will provide treatment for wastewater to meet California Code of Regulations Title 22 tertiary standards such that treated water can be reused by the City in place of potable water;
  - b. Water use efficiency and reliability will be improved by the Project by decreasing the City's reliance on coastal wells;
  - c. The Project will help prevent further salt-water intrusion into the Salinas Valley region's groundwater;
  - d. The Project will upgrade the WWTP to comply with the Central Coast Regional Water Quality Control Board's Waste Discharge Requirements;
  - e. The scalping plant and the upgraded WWTP will help meet the demands of growth since the current WWTP has reached full capacity in September 2004;
10. State Water Board staff has reviewed and considered the EIR and applicable environmental documents and has determined that the Project will not result in any significant adverse water quality impacts; and
11. The following Special Conditions are applicable to the Project:
  - a. U.S. Fish and Wildlife Service (USFWS) identified conservation measures to minimize potential adverse Project effects on California tiger salamanders and California red-legged frogs. The City will have to comply with these conservation measures. The terms and conditions from USFWS will be included as special conditions in exhibit D of the City's SRF Contract and can also be found in the USFWS February 1, 2008 letter.
  - b. Compliance with the archeological monitoring plan will be included as a special condition in exhibit D of the City's SRF Contract.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves a SRF Preliminary Funding Commitment for the proposed Project, including a 20-year repayment period, with the first repayment due one year after completion of construction, for \$54.3 million;
2. Adopts a Statement of Overriding Considerations regarding the SRF Program's and IRWM Program's Soledad Wastewater Treatment Plant Expansion Project;

3. Conditions this approval by withdrawing the SRF Preliminary Funding Commitment if the City does not sign the SRF Agreement by January 15, 2009, in accordance with Section IX (J) of the Policy. The Division staff has the discretion to approve up to a 90-day extension for good cause; and
4. Conditions the execution of the funding agreements for this Project on the successful approval of a Proposition 218 assessment sufficient to support repayment of the SRF financing and adequately operate and maintain the constructed facilities.

### CERTIFICATION

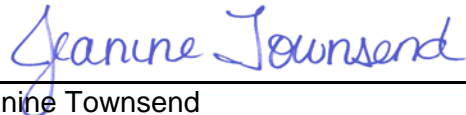
The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Board held on March 18, 2008.

AYE:           Chair Tam M. Doduc  
                  Vice Chair Gary Wolff, P.E., Ph.D  
                  Arthur G. Baggett, Jr.  
                  Charles R. Hoppin  
                  Frances Spivy-Weber

NAY:           None

ABSENT:       None

ABSTAIN:      None



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Jeanine Townsend  
Clerk to the Board